and then only if such agents or employees undertake to maintain the confidentiality of such Information. This Section shall survive any termination of this Agreement for a period of two years following termination. Each Venturer shall have the right to use confidential information of the Venture in other cable television or telecommunication businesses of such Venturer or its Affiliates so long as such Venturer causes appropriate measures to be taken to protect the confidentiality of such information; provided, however, that no license or grant of right of use is hereby given or implied which would permit either Venturer to use outside the Venture the proprietary rights of either Venturer which have been licensed for use by the Venture, without the express written consent of the licensing Venturer.

- 15.10 Appraisals. For purposes of Sections 10.5 and 11.2, the appraised value shall be determined by the written appraisal of an appraiser experienced in appraising cable television and telecommunication properties ("Qualified Appraiser"), agreed upon by the Selling Venturer (the term "Selling Venturer" as used in this Article being equivalent to the "Offeror" in Section 10.2) and the Venture or the purchasing Venturer, as applicable. If the parties cannot agree upon such an appraiser within 60 days after the Valuation Date, the Selling Venturer shall select a Qualified Appraiser and the other Venturer shall select a second Qualified Appraiser. The two Qualified Appraisers so selected shall mutually agree upon an appraised value. If they are unable to do so, they shall each inform the Managing Partner of their respective appraised values. They shall then agree upon a third Qualified Appraiser who shall then independently determine an appraised value. The two appraisals which are closest in amount to each other shall be averaged to determine the fair market value, and the remaining appraisal shall be disregarded. The cost of such appraisals shall be paid one-half by the Venture or the purchasing Venturer, as applicable, and onehalf by the Selling Venturer. A statement showing the appraised value, as so determined, shall be completed by the Qualified Appraisers and copies delivered to the Venture or the purchasing Venturer, as applicable, and the Selling Venturer.
- 15.11 <u>Headings</u>. The headings contained in this Agreement are for convenience only and shall not affect the construction thereof.
- 15.12 <u>Waiver</u>. The waiver by any Venturer of any right under this Agreement shall not constitute a waiver of any other rights under this Agreement or of the right to assert such right on future occasions.
- 15.13 <u>Severability</u>. If any provision of this Agreement is held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect the remaining provisions of this Agreement, which shall remain in full force and effect, unless such invalid, illegal or unenforceable provision

constituted a material basis for a Venturer's entering into this Agreement, in which case the Venturers shall use their best efforts to agree upon a new valid, legal and enforceable provision which achieves, as closely as possible, the objectives of the Venturers with respect to the original provision. 15.14

Disputes. The Venturers will use their best efforts to resolve amicably any disputes arising under this Agreement. Except as otherwise expressly provided herein with respect to Business Deadlocks, if the Venturers are otherwise unable to resolve such dispute within a thirty (30) Business Day period (or such other period as the Partners may agree), the Venturers will submit the matter to the Colorado office of the American Arbitration Association ("AAA") for binding resolution by an arbitrator affiliated with AAA (which arbitrator will be selected by the Partners or, if the Partners are unable to agree, by AAA) and in accordance with the then current rules of AAA. Such arbitrator is authorized to render awards of monetary damages, direction to take or refrain from taking action, or both. The prevailing party, as determined by the arbitrator will be entitled to an award of reasonable attorneys' fees and costs. Judgment upon the award rendered in any such proceeding may be entered in any court of competent jurisdiction, or application may be made to such court for judicial acceptance and enforcement of the award and direction. Any such award or direction will be binding on the parties to the proceeding and final, except that for appeals on the grounds that the award or direction were obtained through fraud. Such proceeding will be confidential and no stenographic or other record need be made of any such proceeding other than a memorandum of understanding setting forth the elements of any settlement or award reached. It is expressly agreed that either Venturer may seek injunctive relief or specific performance of the obligations under this Agreement in an appropriate court of law or equity pending an award in arbitration.

- 15.15 Expenses. Except as otherwise expressly provided in this Agreement, each Venturer shall be responsible for bearing its own expenses incurred in entering into this Agreement.
- 15.16 Cooperation in Obtaining Other Government Approvals. The Venturers shall cooperate in the preparation of applications for any other government approvals, rulings, consents, filings or notices which are required by law to be obtained or submitted or which the Venturers agree are desirable to obtain or submit under all the circumstances of this transaction. All costs of obtaining such approvals, rulings and consents and of making such filings and notices shall be borne by the Venture.

IN WITNESS WHEREOF the parties have executed this Agreement on the dates stated below their signatures.					
RSVP Information, Inc.	U S WEST Multimedia Services Group, Inc.				
By: Herman Budnick, President	Ву:				

## **EXHIBIT** A

## DEFINITIONS

(All references to Sections shall refer to Sections of the Joint Venture Agreement.)

Accounting Period. The period from and including the Effective Date (as specified in Section 2.3) up to and including December 31st of that year and the period from and including January 1st of any subsequent calendar year to and including December 31st of that year, or such other period as the Executive Committee (as hereinafter defined) may determine.

Affiliate. An Affiliate of a Venturer is a person or entity that controls, is controlled by, or is under common control with, such Venturer; provided, however, that Time Warner Entertainment, L.P. shall not be deemed to be an affiliate of U S WEST.

<u>Auditors</u>. With respect to the Venture, the auditors for the time being of the Venture, as determined from time to time by the Executive Committee.

<u>Budget</u>. The budget for each Accounting Period of the Venture prepared and approved pursuant to Section 5.3.

Business Deadlock shall have the meaning given it in Section 5.1(f).

Capital Account shall have the meaning given it in Section 9.2.

Capital Call shall have the meaning given it in Section 4.2(b) .

Carrying Value. (i) With respect to property contributed to the Venture) by a Venturer, the agreed value (as determined pursuant to Section 4.6) of such property at the time of contribution reduced (but not below zero) by all depreciation, cost recovery and amortization deductions with respect to such property as taken into account in determining Profit or Loss, and (ii) with respect to any other property, the adjusted tax basis of such property as of the time of acquisition by the Venture reduced (but not below zero) by all depreciation, cost recovery and amortization deductions with respect to such property as taken into account in determining Profit or Loss. The Carrying Value of any property shall be adjusted from time to time in accordance with Section 9.2 and to reflect changes, additions or other adjustments to the Carrying Value

for dispositions, acquisitions or improvements of Venture properties, as deemed appropriate by the Managing Partner.

<u>Code</u>. The U.S. Internal Revenue Code of 1986, as amended from time to time. Any reference in the Venture Agreement to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future law.

Contributions Schedule shall have the meaning given it in Section 9.2.

Effective Date shall have the meaning given it in Section 2.3.

Executive Committee shall have the meaning given in Section 5.1.

GAAP shall have the meaning given it in Section 9.1.

Impasse shall have the meaning given it in Section 5.1(f).

Interest Rate. A rate equal to 2% per annum over the base rate in effect from time to time of Bank of New York or, in the absence of such rate, such similar rate as shall be selected by the Managing Partner, except that, for purposes of Section 11.2(c), "Interest Rate" shall mean only the base rate specified herein or pursuant hereto, and not any spread over such base rate.

Joint Venture Agreement. The Joint Venture Agreement between RSVP and U S WEST dated as of March 28, 1995.

Managing Partner shall have the meaning given it in Section 5.2.

MFJ shall mean the Modification of Final Judgment in <u>United</u>
States v. Western Electric. et al., U.S. District Court (Cir. No. 82-0192) (D.D.C. Aug. 24, 1982).

<u>Profit or Loss</u>. The income or loss of the Venture as determined under generally accepted accounting principles.

Profit or Loss from Capital Transactions. The Profit or Loss of the Venture from the sale, exchange or other disposition (excluding leasing) of any Venture assets other than (i) sales, exchanges or disposition of inventory assets and (ii) sales, exchanges or dispositions of furniture, fixtures or equipment disposed of as a part of the normal replacement of such items. Interest received from a deferred payment sale of Venture property shall be included in Profit or

Loss from Capital Transactions if the gain or loss from such sale is included in Profit or Loss from Capital Transactions.

Profit Schedule shall have the meaning given in Section 9.2.

<u>Profit or Loss from Operations</u>. The Profit or Loss of the Venture exclusive of any Profit or Loss from Capital Transactions.

Required Capital Contributions shall have the meaning set forth in Section 4.2(a) .

Service shall have the meaning set forth in Section 3.1.

<u>Services Agreement</u> shall mean the Services Agreement between the Venture and U S WEST Multimedia Services of Omaha, Inc.

Sharing Ratios. The Sharing Ratios of the Venturers shall be as follows: RSVP-66.67%, and U S WEST-33.33%. Such Sharing Ratios shall be adjusted as provided under Sections 4.3(b), 4.3(c), and 4.3(d).

<u>Taxable Income</u>. The taxable income of the Venture as determined under all applicable provisions of the Code.

<u>Taxable Loss</u>. The excess of deductible expenses over gross income of the Venture as determined under the Code.

<u>Treasury Regulations</u>. Regulations issued by the U.S. Department of Treasury under the Code. Any reference in the Venture Agreement to a specific section or sections of the Treasury Regulations shall be deemed to include a reference to any corresponding provision of future regulations under the Code.

<u>USW Region</u> shall mean that definition contained in Section 3.3(a). set forth in Section 3.3(a).

<u>Venture</u> means the Venture between RSVP and U S WEST known as RSVP Broadband Venture and constituted by the Joint Venture Agreement.

<u>Venturer</u> means an original Venturer in the Venture (for so long as that person remains a Venturer) or any person subsequently admitted as a venturer.

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## EXHIBIT B

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## EXHIBIT C

The development work to date includes:

- (i) The review of the technical specifications of the
  U S West System in Omaha as they relate to porting
  the existing RSVP program structure to run on the
  U S West System;
- (ii) Preparation of time and responsibility schedules
  to produce the Service;
- (iii) Preliminary work done by RSVP programmers in connection with fulfilling RSVP's obligations under the Venture Agreement; and
- (iv) Preliminary work due with Nebraska Methodist

  Hospital to define the scope and operation of the

  programs to be offered as part of the Service.

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## EXHIBIT D

The Staff side programming provides a Windows compatible interface which resides on a PC which permits the hospital staff to prepare patient scripts, monitor usage and perform other administrative tasks.

The player source code and database structure work together to permit patient scripts to be compiled and played upon request by the user.

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## SCHEDULE 5.3

	Days for Task	Cost per Day	Task Cost	Section Cost
initial Screen Work Redesign screen format & window orientation for NTSC delivery of: Graphics Text	10	\$400	\$4,000	\$10,300
Video Prep Adobe screens for early design review Navigation recrientation Remake of exisiting graphics for NTSC Hardware for NTSC output	v 3 4 5	\$400 \$400 \$400	\$1,200 \$1,800 \$2,000 \$1,500	
NTSC Content Development Video & reshoot MPEG compression for broadband (estimate	ta)		\$20,000 \$12,000	<b>\$32,000</b>
isis Authoring (RSVP staff in Boul Staff time (2 persons/20 days each) Travel (6 RT's) Food & Lodging Car	der) 40	<b>*400</b>	\$16,000 \$6,000 \$6,500 \$1,200	\$29,700
Seftwere Design & Supervise File transfer Patient database Script database Script-status database Log file Service launch Service exit (clean-up) Testing	20 20 15 5 15 2 15 10	\$800 \$500 \$500 \$500 \$500 \$500 \$500 \$500	\$10,000 \$7,500 \$2,500 \$7,500 \$1,000 \$7,500 \$5,000	<b>\$64,500</b>
Travei Omena Denver/Boulder			\$15, <del>90</del> 0 \$7,700	<b>\$23,500</b>
ISIS Development by US West Technolog	ioc	•		<b>\$60,000</b>
DEVELOPMENT TOTAL			•	\$220,100
PROJECT MANAGEMENT: Per Mor Operating Expenses: G & A 11/1/94-12/31/95 \$4,80				<b>\$67,200</b>
TOTAL				\$287,300

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## SCHEDULE 5.3 (cont.)

Funding Schedule:	12/22/94	3/31/95	5/31/95	8/31/95	TOTAL
Screen Work, etc.	\$8,240	\$2,060			\$10,300
Travel	\$2,360	\$7,080	\$10,520	<b>#3,540</b>	<b>\$23,500</b>
Proj Mgmnt ·	\$14,400	\$21,120	\$21,120	\$10,560	\$67,200
ISIS Auth & Software	·	\$63,114	#31,085	•	\$94,200
NTSC Devel/MPEG		\$20,000	\$12,000		\$32,000
ISIS Devei @ USW-AT		,	\$30,000	\$30,000	\$60,000
Budget Total:	\$25,000	\$113,374	\$104,825	\$44,100	\$287,300

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## EXHIBIT E

US West Payments: RSVP Funding: \$25,000

113,374

104,826

19,300

252,500 \$34,800

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IN WITNESS WHEREOF the puriou have executed this Agreement on the dates stated below their signatures.

RSVP Information, Inc.

U & WEST Multimedia Services
Group, Inc.

□y:\_\_

Herman Budnick, President

HIGHLY CONFIDENTIAL ATTORNEYS ONLY

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ravpjv3 3/13/95 -37-

IN WITHERS WHEITEOF the parties have associated this Agreement on the dates stated below their nignatures.

RSVP Information, Inc.

U & WEST Multimodic Services

Group, inc.

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3/13/96

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Mar/14/95 page one of two

TOTAL

## RSVP Broadband Venture Budget 94-95

In the Matter of: U S West Communications FCC 98-147

page one of two Budget 94-95			1 00 70-147			
·	Days for Task	Cost per Day	Task Cost	Section Cost	September 24, 1998 Exhibit N	
nitial Screen Work				\$10,300		
Redesign screen format & window prientation for NTSC delivery of: Graphics Text Video		\$400	\$4,000	•		
rep Adobe screens for early design	re 3	\$400	\$1,200			
vavigation reorientation	4	\$400	\$1,600			
Remake of exisiting graphics for NTS	C 5	\$400	\$2,000			
⊣ardware for NTSC output	• 12		\$1,500			
NTSC Content Development				\$32,000		
Vi <b>de</b> o & reshoot			\$20,000			
MPEG compression for broadband (e	stimate)		\$12,000			
iSIS Authoring (RSVP staff in Bo				\$29,700		
Staff time (2 persons/20 days each)	40	\$400	\$16,000			
Travel (6 RT's)			\$6,000			
Food & Lodging	,		\$6,500			
Car	15		\$1,200			
Software	,			\$64,500		
Design & Supervise	20	\$800	\$16,000	<b>V</b> 0.0,000		
File transfer	20 15	\$500	\$10,000			
Patient database	15 —	\$500	\$7,500			
Script database	5 - 8	\$500	\$2,500	AR DO	48	•
Script-status database	15 <del></del>	\$500	\$7,500	10	1-	
Log file ·	2 8 15)	\$500	\$1,000			
Service launch	15)	\$500	\$7,500			
Service exit (clean-up)	10 ( \\	\$500	\$5,000			
Testing	15	\$500	\$7,500			
Travel				\$23,600		
<u>omaha</u>			\$15,900			
Denver/Boulder			\$7,700			l.
ISIS Development by US West Tech	nologies			\$60,000	PLANTIFF'S LEXHIBIT	
DEVELOPMENT TOTAL				\$220,100	PLAINTE	I
<del>'</del>					1324	
PROJECT MANAGEMENT: Per Mo	onth				REPUGLITION	
Operating Expenses: G & A 11/1/94-12/31/95 \$4,80	00			CE7 200	EXHIBIT	
111 1134-1213 1133 54,80	<i>,</i>			\$67,200	146	
				A		

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\$287,300

Mar/14/95 page two of two

## RSVP Broadband Venture Budget 94-95

Funding Schedule:	12/22/94	3/31/95	5/31/95	8/31/95	TOTAL
Screen Work, etc. Travel Proj Mgmnt ISIS Auth & Software NTSC Devel/MPEG ISIS Devel @ USW-AT	\$8,240 \$2,360 \$14,400	\$2,060 \$7,080 \$21,120 \$63,114 \$20,000	\$10,620 \$21,120 \$31,086 \$12,000 \$30,000	\$3,540 \$10,560 \$30,000	\$10,300 \$23,600 \$67,200 \$94,200 \$32,000 \$60,000
Budget Total:	\$25,000	\$113,374	\$104,826	\$44,100	\$287,300
US West Payments: RSVP Funding:	\$25,000	\$113,374	\$104,826	\$9, <b>3</b> 00 \$34,800	\$252,500 \$34,800

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In the Matter of: U S West Communications FCC 98-147

September 24, 1998 Exhibit O

# USWES TECHNOLOGIES, INC.

## FACSIMILE COVER SHEET

4001 DISCOVERY DRIVE, BOULDER, COLORADO 80303

NUMBER OF PAGES: 3 (INCLUDING THIS SHEET) IF YOU HAVE ANY PROBLEM RECEIVING THIS TRANSMISSION, PLEASE CONTACT (303) 541-



H. BUDNICK; D.MARTIN; S. FRIEDMAN; ANTHONY P.

617-864-8340 FAX:

Voice:



HIL GRIFFIN

U S WEST Technologies FAX: (303) 541 - 6740

Voice:

(303) 541 - <u>683</u>

\_@advtech\_uswest.com



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## **MEMORANDUM**

TO:

Herman Budnick

Ron Martin

Michael Thornton

Pat Somers

 $\alpha$ 

Doug Ike

Barbara Hoover

Nancy Tynan Donna Auguste Robert Joseph

Susan Friedman

Alp Uysal Anthony P.

FROM:

Phil Griffin

DATE:

May 2, 1995

SUBJECT: Meeting Notes of RSVP visit on 4/27,28

Here are my notes from our meetings. Please contact me with any corrections or additions needed. Note: "server" refers to US WEST Level 2 gateway RSVP server; "staff system" refers to hospital based RSVP system.

## Agreements/Understandings:

- RSVP "section" equates to a composite on the set-top terminal (STT).
- RSVP "Section" database will not be duplicated on server.
- Video clips range from 30s to 2-3 minutes (rarely). Sections average 30-60 seconds each.

  Currently, only 4-5 places where a video is "paused" for user input (as opposed to stopping one clip
- At the end of a script, there will be screens allowing a user to review sections.
- Bookmarks will be supported on a section basis, i.e. a service session may be resumed at a point relevant to a patient's last use of the service.
- The patient ID is actually the hospital's ID for the patient.
- RSVP system will be capable of removing patients from the server. RSVP will add a field to the patient files they download to the server indicating (Add/Delete/Modify). Infomercial users will have their scripts defined (as patient ID = 0) in an equivalent manner to
- patients.
  When an infomercial user "signs in" with their patient ID, a new set of linked sections/composites gets downloaded to the STT for them.
- A new log will be added for infomercial users. All infomercial users will have their key presses logged into the same log, which will be uploaded to the RSVP server daily.
- The informercial content is non-linear. Multiple clips make up the content and the path through them differs based upon user input.
- The staff system will store the infomercial user logs for post-processing for usability info. The server does not store these logs long-term.
- The staff system will store the patient logs. The server does not store these logs long-term.
- RSVP programming strategy was reviewed by Herman and Sharon Devine last year to insure it passes "video programming" tests.

- Server will use STT id to qualify access to patient specific portion of RSVP service. This is a privacy -issue requirement from RSVP, which will have the effect of allowing a patient access only from their home. No qualification is necessary for infomercial access.

No password will be used for access to the patient specific service.

• Patient specific billing: 1 billing event will be generated after allowing up to 3 viewings per 48 hours. A viewing is defined as watching all scripts: 1) beginning to end; 2) beginning to a time-out; 3) beginning to a bookmark. "Beginning" means first entry or starting at a bookmark.

Infomercial billing: Billing event will be generated after the user navigates several introductory screens (and confirms their interest).

RSVP asset updates:

- expect breast biopsy content to be added in 4-6 months (after first content).

- new doctors are added occasionally (~ 5 minutes video).

- expect up to 2 hours of new material to be added over duration of trial.

- occasional updates to service via newly authored composites.

In general, new content will require new authoring to support it.

• Updates to the server Patient database will be keyed by Patient ID.

Updates to the server Script Status database will be keyed by Patient ID and script name.

Expected video asset totals: ~ 2 hrs. for patient specific; ~ 45 min. for infomercials.

Changes made by the server in the Script Status table's status field will be exported into a separate file
for uploading to the staff system.

## To be determined/Further investigated:

Do we need to encrypt any data transferred between the server and the staff system?

- RSVP will define all possible states and transitions between states (for staff system and server) for the script status field. This field's state must maintain script state integrity between the staff system and server.
- USW to determine mechanics of how STT id may be used to identify a patient. (Do we use Telechoice account # at hospital to "tie" patient and account?)
- USW to investigate whether we can support a "flashing" icon in the navigator, indicating new content
  has been added for a specific user.

RSVP: Should deletes be propagated through the script table? i.e. do patients have individual scripts
or are they shared by others?

• The staff system stores the patient logs. Due to privacy concerns, exactly what usability information will be extracted from these logs is TBD.

## Schedule notes:

USW will put the joint development schedule into Microsoft Project.

Expected date for start of USW & RSVP integration: 8/14.

• Encoding of RSVP video will be completed in time for 8/14 integration.

#### (Other) Trial notes:

RSVP is investigating participation in four other trials (and may do 1 or more).

- TW - Orlando.

- SNET(Southern New England Telephone) - West Hartford/Farmington (late '96 at earliest).

- PACTEL - Pacific Beach/San Diego.

NYNEX - Warwick (~ Spring '96).

RSVP would like USW to evaluate suitability/added work necessary to take Omaha RSVP implementation to other trials.

#### Other notes:

- RSVP would like to purchase a MAC and ISIS development software. The intended purpose of this
  machine is to allow some parallel CAT effort in Cambridge, and to support future dev for other trials.
- RSVP/BMS want to conduct pre-Omaha Focus groups in Denver in mid-Sept. This will focus on pregnant women and the patient specific service as well as the infomercial side of the service. Desire is to run on the dev system with 1 3DO and 1 T.V. Learning's of Focus study often result in the need to clarify/re-shoot some content.



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May 31, 1994

In the Matter of: U S West Communications FCC 98-147

September 24, 1998 Exhibit P

Mr. Larry Levine
US West Communications, Inc.
1999 Broadway
28th Floor
Denver, Colorado 80202

Dear Larry,

Please find enclosed a fully executed original of the Services Agreement between Interface Communications Group and US West Communications.

I have also enclosed a copy of our Letter of Credit from Mr. Thomas Wyman of the TGW Limited Partnership. When you are ready to verify this letter through Morgan Guaranty, please give me a call and I will make the necessary arrangements.

We are all excited about moving ahead on the Omaha Trial and look forward visiting the site together next week. Thank you-for your patience and diligence throughout this long process.

With best wishes,

Sincerely yours,

Jeffrey D. Morgan

President

JDM/kk

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#### SERVICES AGREEMENT

This Services Agreement (the "Agreement") is entered into as of May 27, 1994 by and between U S WEST COMMUNICATIONS, INC., a Colorado corporation ("USWC") and Interface Communications Group, Inc., a Colorado corporation ("Owner").

### RECITALS:

WHEREAS, Owner is engaged in the operation of a commercial venture and has rights to distribute certain broadcast and cable television programming using analog signals (collectively "the Channels"), and desires to make available certain of such Channels chosen by Owner in its sole discretion ("Selected Channels") to Subscribers (as hereinafter defined) over USWC's Video Dial Tone Service (as hereinafter defined) during the Trials (as hereinafter defined) on a subscription (as hereinafter defined) basis.

WHEREAS, USWC will, subject to Regulatory Approval, engage in the business of Transmitting Selected Channels over its Video Dial Tone Service to Subscribers during the Trials within the Territory (as hereinafter defined), and USWC will provide certain other related Services (as hereinafter defined) in connection therewith, as more fully described herein.

WHEREAS, Owner wishes to Transmit to Subscribers Selected Channels over USWC's Video Dial Tone Service and engage USWC to furnish certain Services in connection therewith on the terms and conditions set forth in this Agreement.

#### **AGRZEMENT**

NOW, THEREFORE, in consideration of the premises and the covenants, representations, warranties and agreements hereafter set forth, the parties hereby agree as follows:

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- 1. <u>DEFINITIONS</u>. In addition to the words, terms and phrases defined elsewhere in the body of this Agreement, the words, terms and phrases appearing in this Agreement with an initial capital are defined as set forth in the glossary attached hereto as Exhibit A.
- 2. SERVICES TO BE PROVIDED BY USWC. In consideration of Cwner's agreement to participate in the Trials and making Selected Channels available on USWC's Video Dial Tone Service during the Trials and subject to Regulatory Approval and Events of Force Majeura, USWC agrees to furnish the following services (the "Services") during the Trials in the Territory upon the terms and conditions set forth in this Agreement:
- 2.1 Technical and Market Trial. USWC agrees to conduct a technical trial (the "Technical Trial"), followed by a market trial (the "Market Trial," the Technical Trial and Market Trial are collectively referred to as the "Trials") in the Territory, of Network and Gateway Services (as hereafter defined) to permit delivery of Selected Channels owned or controlled by Owner over USWC's Video Dial Tone Service for reception by Subscribers.

USWC agrees to conduct beta testing as part of the Technical Trial and provide its Network and Gateway Services to support delivery of some or all of Owner's Selected Channels, as determined by Owner, for a period not to exceed six months. Subject to Article 4.10, USWC agrees to negotiate in good faith with Owner to develop a test plan mutually agreeable to USWC and Owner to support technical testing with a limited number of friendly users, who may be employees of USWC, to test the throughput of Owner's product, quality of signal, and other Gateway services provided by USWC. During the Technical Trial, USWC agrees not to charge Owner for its provision of Network and Gateway Services.

USWC agrees to conduct the Market Trial for up to one year, which will pass at least 55,000 residences. During the Market Trial, USWC will provide services to potential Subscribers on a first-come, first-serve basis. Upon execution of this Agreement, USWC will

HIGHLY CONFIDENTIAL provide Owner with its then current schedule of construction of facilities for the Trials. Notwithstanding the foregoing, the scope, duration, and location within the Territory of the Trials are subject to change at any time and in the sole discretion of USWC. Without limiting the generality of the foregoing, USWC may, in its sole discretion, at any time shorten or terminate the Technical Trial or the Market Trial, or expand or reduce the size of either of the Trials. USWC agrees to give Owner written notice of any material change in the scope, duration or location of the Trials within fifteen (15) days of the date USWC makes its decision to change materially the scope, duration or location of the Trials.

- 2.2 Network and Gateway Services. Subject to Owner being allocated access to at least 49 of the 77 analog Channels available for the Trial, USWC shall provide, or cause to be provided, the following services (the "Network and Gateway Services") during the Trials within the Territory:
- (a) analog Transmission services and facilities for delivery of Selected Channels to potential Subscribers over USWC's Video Dial Tone Service, in accordance with USWC's Market Trial Tariff, which is incorporated by reference herein;
- (b) installation of appropriate receiving equipment on premises of Subscribers if required to enable potential Subscribers to receive Owner's Channels;

## (c) order processing;

(d) billing and collection on a monthly basis as provided in Exhibit C hereto; <u>provided that</u>, in no event shall USWC be a guarantor of payments that are not made or that are not made in a timely manner by Subscribers;

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- (e) customer service, including but not limited to, handling of billing inquiries, service outage and degradation calls, and requests for change or termination of service;
- channel line-up in a paper guide, including the prices at which Owner has decided to offer Selected Channels. USWC will use reasonable efforts to arrange for information regarding the Selected Channels to be included in paper guides. USWC.will furnish Owner with a copy of any paper guides prepared by USWC prior to USWC's distribution of any such guides to Subscribers and permit Owner to review information relating to Owner's Selected Channels. If Owner elects to offer promotional prices that occur outside the normal listing period or that are available for less than one month, USWC will list promotional prices only on a barker Channel, if one is offered, or through customer service inquiries;
- (g) overall promotion of USWC's Video Dial Tone Service, including a general description of Owner's Selected Channels offered by Owner over USWC's Video Dial Tone Service; and
- (h) to the extent permitted by applicable regulatory authorities, assistance in marketing the availability of Owner's Selected Channels on USWC's Video Dial Tone Service; and
- (i) the same information concerning the process for applying for an allocation of Channels for participation in the Trials as it provides to other similarly-situated Owners. Notwithstanding anything to the contrary contained herein, USWC does not guarantee that Owner shall receive an allocation of Channels for purposes of participating in the Trials;
- (j) in the event Owner is not allocated access to at least 49 analog channels, Owner and USWC agree to renegotiate in good faith this Agreement. If the parties are unable to reach agreement, notwithstanding anything to the contrary in this Agreement, either party

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